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Reagan to Revoke Finding on Sale of Arms to Iran

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WASHINGTON, March 9 — President Reagan is preparing to revoke the intelligence finding that authorizes the arms sales to Iran amid a White House review of all such findings that authorize continuing covert actions, officials said today.

Mr. Reagan is expected to revoke the Jan. 17, 1986 intelligence finding later this month. The move would show that he was continuing to try to eliminate the adverse effects of his Iran initiative and to acknowledge that the policy had been a mistake.

The finding justified the Iran policy initiative as an attempt to establish a more moderate government in Iran, to obtain intelligence on the current Teheran regime, to further the release of American hostages held in Lebanon and to prevent future terrorist acts. But the Presidential panel said in its report on the Iran-contra affair that the initiative had quickly become an arms-for-hostage exchange.

Policy No Longer in Effect

While officials said that some actions taken by the President in recent weeks have superseded the Jan. 17, 1986 finding, the formal revocation would indicate that the Iran policy initiative was no longer in effect. The action would also eliminate the policy rationale for the Iran initiative, which was criticized recently by the Tower Commission report, named after the panel's chairman, former Senator John Tower, Republican of Texas.

The step is seen as an effort to admit a mistake.

"It's dying a rapid death," a senior White House official said of the finding.

The officials said that Mr. Reagan had been moving to revoke the order since he instructed the National Security Council staff to refrain from covert actions following Attorney General Edwin Meese 3d's disclosure that profits from the arms sales had been diverted to Nicaraguan insurgents.

They said that the review of all intelligence findings was begun shortly after Frank C. Carlucci became national security adviser late last year. The examination of the Iran arms sales finding was near completion, the officials said, and Mr. Carlucci would recommend the finding be revoked.

The White House announced the review following questions early today on the status on the Jan. 17 finding. In a statement later, it said: "All intelligence findings are currently undergoing review through an orderly process. The Jan. 17, 1986, intelligence finding will be reviewed shortly as part of that process."

The statement said that the Jan. 17 authorization was only "technically in effect at this time" having been "substantially superseded" when Mr. Reagan announced Nov. 17 that he had "absolutely no plans" to "send more arms to Iran."

Carter Administration Findings

White House officials have refused to discuss the contents of the other classified intelligence findings, but a senior official at the Central Intelligence Agency said in an interview recently that about half of those in existence were signed during the Carter Administration.

In a related move today, the White House renewed Mr. Reagan's request of Dec. 16 for the Congress to grant limited immunity to two of the key players in the Iran-contra affair in the hope that they will testify. The two, Vice Adm. John M. Poindexter, the former national security adviser, and Lieut. Col. Oliver L. North, declined in December to answer questions before the Senate Select Committee on Intelligence, invoking their Constitutional right against self-incrimination.

Mr. Reagan had asked that the two be granted "use immunity," which would require them to testify without

resort to the Fifth Amendment. It would, however, prevent prosecutors from using that testimony against them in criminal proceedings.

The restatement of Mr. Reagan's request was in response to an article Sunday in The Washington Post that cited an unnamed "source close to the President" as asserting that the White House anticipated that Admiral Poindexter "will say that he had direction and authority, directly or indirectly" from the President — in contrast to Mr. Reagan's claim that he was unaware that proceeds from the Iran arms sales went to Nicaraguan insurgents.

In addition to the President, the Senate Select Committee on Intelligence and the special Presidential commission reviewing the secret dealings have said there was no evidence contradicting Mr. Reagan's claim. Neither panel, however, interviewed Admiral Poindexter or Colonel North.

Maureen Reagan's Opinion

Speaking to reporters following a meeting with the President today, his daughter Maureen said the two military officers were guilty of treason and should be court-martialed if they had lied to Mr. Reagan, the Commander in Chief.

"Because by omission or commission, they did not tell the President what they were doing and that's a lie," she said. She said she had expressed that view to Mr. Reagan and that he had responded by saying "Uh-huh."

The President's daughter and other White House officials said that they did not believe that Mr. Reagan could have endorsed the diversion of funds to the rebels and not remembered. He has said that he was unable to recall whether he approved the first shipment of arms to Iran last summer before or after the fact.

"What he doesn't remember is whether he said yes the day before it was done or was told it was done yesterday, and that's the time frame and that's the only thing," Maureen Reagan said. "He cannot remember and there are no notes on that."